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C O N F I D E N T I A L SECTION 01 OF 02 TIRANA 000244

SIPDIS

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TAGS: [PGOV](#) [KDEM](#) [KCOR](#) [KJUS](#) [AL](#)
SUBJECT: NEW REVELATIONS IN GERDEC SCANDAL AND DISMISSAL OF
DURRES-KUKES CASE INCREASE PRESSURE ON PG

REF: TIRANA 96

Classified By: Pol-Econ Chief Paul Poletes for reasons 1.4 (b) and (d)

¶1. (C) Summary. A string of revelations and decisions this past week have put the Prosecutor General Ina Rama on the defensive and have incited PM Berisha to step up his public rhetoric against Rama. First, media has brought attention to the fact that 15 of the 28 accused in the Gerdec scandal are still serving in their government positions, including Joint Forces Commander BG Agim Lala and Secretary General Adriatik Mema, who is studying in the United States on IMET funding. Second, recent revelations of the involvement of another member of Berisha's inner circle in Gerdec have raised public criticism as to why the PG has not investigated the respective private company. Lastly, the High Court decision to dismiss charges against Foreign Minister Lulzim Basha has been seen as a major setback for Rama. End Summary.

LACK OF DISMISSALS

¶2. (C) Media report that a joke is circulating in the Ministry of Defense. According to the anecdote, the Prosecutor General (PG) sends a request to the Ministry of Defense for assistance with military expertise in the Gerdec investigation. The request is sent to the director of the respective department with this expertise. As fate would have it, the director is also indicted in this very case, and he finds himself offering expertise and advice in his own investigation. Besides falling very close to the truth, this anecdote highlights a problem in the MoD that the media has recently exposed. From the list of 28 officially indicted in the Gerdec scandal, 15 are allegedly still employed by the state and functioning in their positions. Although Albanian law does not require it, the Prosecutor has the right to request the suspension of a civil or military officer from his duties until a verdict is ruled, which the PG did not do in this case. Critics argue that even without an official request, out of common sense the Minister of Defense should have suspended the accused.

¶3. (C) Of the 15 still active officers, most notable is Brigadier General Agim Lala, Commander of Joint Forces Command. Lala assumed his position when fellow-indicted General Shpetim Spahiu was dismissed due to his involvement in the Gerdec affair. Another of concern for the USG is MoD General Secretary Adriatik Mema, who is currently studying at the U.S. Naval Post Graduate Academy (ref). His studies are funded through IMET.

¶4. (C) Closer to the anecdote, LTC Zenun Ferro, on the list of those indicted, is currently assigned to the General Staff

J-4 Armaments Division. PG investigators have requested expert witnesses from this office. While it is not known if Ferro has provided any advice, his two other colleagues in the division, LTC Viktor Pershqefa, and MAJ Shkelqim Sina have told poloff that they have acted in this capacity for the PG on several occasions.

¶15. (U) Neither the Prosecutor General nor the Ministry of Defense have made any comment on this issue yet.

ANOTHER FROM BERISHA'S CLAN GETS PULLED IN

¶16. (U) Media also reported revelations this week that a company owned by Mihal Delijorgji (indicted in the Gerdec scandal) and Henris Balliu (daughter of Fahri Balliu, member of the governing board of the Democratic Party and close personal advisor to Prime Minister Berisha) had illegally begun construction of the demilitarization facility at Gerdec in April 2007, months before the Council of Ministers gave official approval for private companies (including Delijorgji's Albdemil) to get involved in demilitarization. Allegedly, at the time, the commander of the Military Police, Astrit Jaupi sent a letter of concern to inform then Minister of Defense Mediu and then Chief of the Defense General Luan Hoxha when he discovered that Delijorgji's "Trans-Digging Construction" (TDC) company was tearing down buildings at the then-tank facility at Gerdec without any written permission from the MoD. Jaupi's letter of concern never received any response or action.

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¶17. (U) Besides providing more evidence that Mediu illegally favored Delijorgji in demilitarization decisions, the story brought to light the involvement of another person from Berisha's close orbit - Balliu. When rumors began to spread of Balliu's ties to Delijorgji, Balliu held a press conference in early April to defend himself. He first claimed that he was not involved in his daughter's affairs (Balliu's daughter's name had been used in documents with Delijorgji), and later that his daughter withdrew from Delijorgji's company in 2006, before the Gerdec affair. However, media quickly reported evidence that his daughter's name was actually not removed from TDC documents until April 8 of this year, the day after news broke of Balliu's ties to Delijorgji.

DISMISSAL OF BASHA CASE

¶18. (U) In reaction to these revelations, some criticized the Prosecutor General for seeming to avoid investigation into Berisha's closer circle, noting that the PG has been aware of TDC's involvement for almost a year, but has not investigated TDC or Balliu. Besides Balliu, critics note that the investigation has also not touched the presence of Berisha's brother-in-law at Gerdec at the time of the explosion, nor rumors that Berisha's own son lobbied the Ministry of Defense in behalf of Delijorgji. Some critics have wondered aloud if PG Ina Rama is either intimidated by the government or has reached a deal with the government.

¶19. (U) Public pressure on the PG also increased when on April 10 the Supreme Court dismissed the PG's case against FM Basha for abuse of office during his time as Minister of Transportation. The case was dismissed on a technicality - the Court ruled that the PG's case was invalid because it exceeded the deadline for investigation. PG Rama quickly announced that investigators would open a second case against Basha focusing on incriminating findings from the High State Audit.

COMMENT

¶10. (C) This has not been a good week for PG Ina Rama. While she has become accustomed to political pressure from the government, criticism from the public - and even one call for her dismissal - has been unsettling. Berisha has consequently increased his public criticism of Rama, accusing the PG of political motivations and proclaiming the innocence of both FM Basha and indicted former DefMin Mediu. All attention will be focused on the final opening of the Gerdec trial on May 4 which, involving 28 defendants, will be one of the biggest in Albanian history.

CRISTINA